



**Where do we go
from here . . . ?**

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How much do you know about Natural Gas ?

What Is Natural Gas?

Natural gas as used in homes is mostly a light hydrocarbon called methane. But natural gas as it comes from the well usually contains varying amounts of other substances such as propane, butane, natural gasoline and sometimes hydrogen sulphide. Hydrogen sulphide yields sulphur. These by-products which are removed from the gas before it is transported to consumers form the raw materials for other industries.

Is There Enough Natural Gas For Canadian Consumers?

Yes, more than enough. Here is the position according to the Alberta Oil and Gas Conservation Board estimates, 30th September, 1956.

(shown in trillion cubic feet)

Present Alberta Recoverable		
Reserves	18.3	*
Less:		
Alberta's requirements		
for 30 years	7.6	
To supply presently ap-		
proved export markets		
in Canada and U.S.A. ..	5.75	13.35
Present surplus Alberta		
reserves	<u>4.95*</u>	

In addition, there are approximately 5 trillion cubic feet of surplus reserves in other parts of Western Canada. Thus, at this time, surplus reserves in Western Canada total nearly 10 trillion cubic feet.

*Note: This does not take into account reserves discovered since September, 1956.

How Much Is A Trillion Cubic Feet?

One trillion cubic feet is estimated to be the amount of gas required to supply the overall requirements of the greater Calgary area (population 200,000) for a period of 40 years, at the present rate of consumption.

What About Additional Reserves?

Reserves are growing by 10% to 15% every year. The Alberta Conservation Board predicts that ultimate reserves of 42 trillion cubic feet

are likely by 1986. However, the Board stated that this estimate is conservative and reserves could easily reach 75 trillion cubic feet by 1986.

What Will The Oil and Gas Industry Do About Developing All These Reserves?

The industry will look for and develop more natural gas reserves if it can sell that gas.

What About Prices? What Factors Make Up The Price Of Natural Gas?

Supply and demand, return on money invested and operating costs are the main factors. Supply and demand is simply the law of the market place. Then, a company spending millions of dollars to develop large gas reserves hopes to be able to recover that investment. Operating and maintenance costs are things every purchaser must consider on an automobile or home. These are the same things that set the price of most things people buy.

But there is one new item — load factor. A gas distribution system must be able to carry enough gas to heat every home connected to it on the coldest possible day (peak load). This cost is spread over all the gas it sells. Therefore, the larger the volume of gas handled, the lower the cost per cubic foot.

Is There Any Control On The Price Of Gas To The Consumer?

In Alberta, when a utility company is granted a franchise to serve an area, its rates are set by the Board of Public Utility Commissioners. Price changes require approval of the Board after hearings at which all interested parties may be represented.

If Export Is Not Authorized Will Alberta Gas Prices Remain The Same?

No. Whether export takes place or not Alberta gas bills will go up and it is possible the increase will be higher without export. This is largely because the reserves used by Alberta communities today were found and developed years ago when costs were much lower. Turner Valley reserves developed in the 1920's are an example. New reserves will have to be found for these communities in years ahead and these new reserves will cost more. All costs are up, from exploration through development and distribution and, therefore, the price to the consumer also will be higher. On the other hand, under export, using new pipe line systems, operating at high load factors — Alberta con-

sumers also will gain an advantage through lower transmission costs.

Those consumers closest to large gas reserves will always be in a preferred position.

What Does It Cost To Heat An Average House With Natural Gas For A Year?

Edmonton	\$ 68
Calgary	\$ 74
Regina	\$ 145
Winnipeg	\$ 202
New York	\$ 255
Toronto	\$ 265

How Can Western Canada's Natural Gas Be Utilized For The Greatest Benefit To Canada?

Since Canada's requirements are now assured, excess natural gas should be exported. All of the natural gas can't be used in the west — or even in all of Canada. Part of the gas must be sold to export markets or these resources will remain dormant rather than play a major role in the Canadian economy.

As with coal or crude oil, it is just sound business practice to export what we cannot use ourselves. Canada has a serious trade deficit and needs more exports to balance its imports.

Is A 'Wait And See' Policy Wise On Gas Export?

No. Markets that are now available may be lost through delay. Don't forget that Albertans are sitting on a 4,000 year supply of coal and atomic power is in the offing.

How Will Export Of Natural Gas Make New Jobs?

With export of Canadian surplus, it is estimated that by 1962 at least \$500 million will be spent on developing gas reserves and building plants and pipe lines. Work will be created for thousands of Canadians.

Can Export Bring Natural Gas To More Small Towns?

Yes. It is because of these far reaching transmission lines that favorably located small towns and communities may be served economically. Towns located too far from present gas supplies for economical service may find themselves close to a main trunk line. By connecting the town to such a system, gas service could become economical.